

Chicago Public Schools Policy Manual

Title: CONSOLIDATED CASH USAGE

Section: 401.1

Board Report: 84-0328-RS2

Date Adopted: March 28, 1984

Policy:

Whereas, it is necessary to disburse receipts to meeting operating disbursements on a daily basis through the fiscal year; and

Whereas, the disbursement procedures for the educational fund, building fund, textbook fund, workers' compensation and unemployment insurance fund, playground fund, and Public Building Commission operation and maintenance fund have been consolidated for efficiency of operation in the Department of Control; and

Whereas, as the cash balances vary from day to day in the above-mentioned operating funds, at certain times during the fiscal year there may technically exist an interfund advance if the balance of one of the funds is not sufficient to cover a specific disbursement; and

Whereas, the technical interfund advance caused by such consolidated cash usage is automatically repaid as cash is received into the various operating funds; and

Whereas, it is not practical to request specific Board authorization for these mechanical transfers on a case by case basis, and the Interim Chief Financial Officer seeks authorization to continue the established system of consolidated cash usage without the need for specific authorization or ratification at each Board meeting so long as certain conditions enumerated below are met.

Now, therefore, be it resolved by the Board of Education of the City of Chicago as follows:

1. The Board approves the utilization of interfund advances in the operating funds named above in connection with the method described above of consolidated cash usage, provided that the following conditions are met:

- a. The budget shows that, and the Interim Chief Financial Officer is of the opinion that, the receiving fund will have sufficient income to pay the amount advanced;
- b. The monies which are advanced are not needed for immediate disbursement, pursuant to the budget and in the opinion of the Interim Chief Financial Officer, in the fund from which they were transferred; and
- c. Board operations in accordance with the budget would result in the advances being repaid within one year.

2. Technical interfund advances that were automatically repaid during the fiscal year need not be reported to the Board.

3. If an interfund advance is made pursuant to paragraph 1 above, but at the end of the fiscal year it remains unreimbursed, such advance will be reported to the Board for specific instruction.

4. This Resolution is effective immediately upon its adoption.

Amends/Rescinds:

Cross References:

Legal References: